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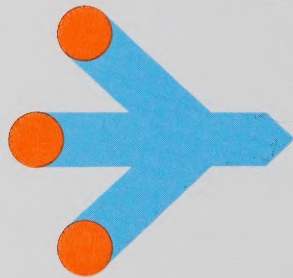
ROYAL TRUST
11th ANNUAL
REPORT March 31/67

Robert



CLASSIFIED
INVESTMENT
FUNDS FOR
PENSION TRUSTS

THE ROYAL TRUST COMPANY
CANADA'S LEADING PENSION FUND TRUSTEE



CLASSIFIED INVESTMENT FUNDS FOR PENSION TRUSTS

11th ANNUAL REPORT
FOR THE YEAR ENDED MARCH 31, 1967

A Modern Concept in Pension Fund Investment

The Classified Investment Funds for Pension Trusts were established in 1956 and consist of six separate Funds which provide participating pension funds with an effectively balanced investment medium. Classified Funds were the first of their kind in Canada to provide all the advantages formerly available to only large accounts — without sacrificing investment flexibility. The investment policy of each pension plan can be adjusted as required by varying the proportion invested in each Classified Fund. Thus, each individual pension trust retains its own identity, and is managed according to its own investment objectives.

Additions to or withdrawals from each Fund — or transfers from one to another — are permitted on monthly valuation dates on the basis of current Unit values. Income earned is distributed monthly. A special feature is that money awaiting investment in Classified earns interest on a daily basis.

The Classified Funds are audited annually and their operation is governed by a Declaration of Trust. Copies of this document may be obtained from any of our offices.

Historical Highlights

	March 31 1957	March 31 1962	March 31 1967
Number of Participants	35	245	556
Average monthly contribution	\$200,000	\$1,700,000	\$4,000,000
Net Assets — Market	\$1,932,000	\$65,784,000	\$311,298,000

Year-end Prices and Market Yields

Government Bond Fund	Corporate Fixed Income Fund	Canadian Common Stock Fund	Foreign Common Stock Fund	N.H.A. Mortgage Fund	Conventional Mortgage Fund
\$ 87.8596	\$ 91.5652	\$ 142.2220	\$ 141.3580	\$ 98.1024	\$ 93.6004
6.19%	6.70%	3.25%	1.75%	6.70%	7.28%

To the Participants in the Classified Investment Funds for Pension Trusts

The Year in Review

We are pleased to report that Classified Investment Funds have had another successful year. In spite of a number of unfavourable factors, in particular the severe drop in security prices last summer and the reduction in level of contributions due to the Canada and Quebec Pension Plans, the growth of the Funds has been most satisfactory.

The Funds

During the year the stock market experienced a correction that resulted in a substantial but temporary decline in the Unit price of the two Stock Funds. Fluctuations in market values are to be expected and provide an opportunity to increase participation at favourable prices. Acting on our appraisal of the market, instructions were issued in September to liquidate a portion of fixed income units — the amount depending on each account's objectives, and to reinvest the proceeds in equity units. The market has recovered substantially to last year's levels and the units closed the year at \$142.2220 for the Canadian Fund and \$141.3672 for the Foreign Stock Fund. Thus, the move to increase equities has so far proved rewarding.

Relating the performance over the year of these Funds to the popular averages, the Canadian Fund Unit price increased 1.22% and the Foreign Fund Unit by 0.62% compared to a 1.18% decline in the Toronto Industrial Index and a 6.36% drop in the Dow Jones Industrial Average. These results were achieved by substantially re-aligning the portfolios.

During the same period, price declines were substantial for even the highest quality bonds and mortgages. As a result, all four of the Fixed Income Funds were able to acquire securities at what have been the most attractive yields in the past forty years. Complete details of all Funds are shown in the accompanying statements. The trend during the past year towards higher interest rates and therefore lower unit prices is reflected in the returns being obtained at the present time on new money. The schedule below compares the prospective yields at March 31, 1967 with March 31, 1966 —

	March 31, 1966	March 31, 1967
Government Bond Fund	6%	6.19%
Corporate Fixed Income Fund	6.38%	6.70%
N.H.A. Mortgage Fund	6.75% Gross	7.25% Gross
Conventional Mortgage Fund	7.53% Gross	7.81% Gross

The value of the Government Bond Fund declined during the year as a result of the greater emphasis placed on the equity content of pension funds. Where cash flow was not sufficient to attain the required common stock ratio, bond units (particularly governments) were redeemed. Concurrently, in order to maximize the yield, over \$6,000,000 of investments were sold and the proceeds invested in new issues. The units have recovered almost \$4 from their low in November 1966 to \$87.85.

The Corporate Fixed Income Fund also felt the impact of tight money conditions; however, new money contributed to the Fund afforded us the opportunity of adding new issues at historically attractive yields. The market for existing issues was extremely limited over most of the year, but advantage was taken of all reasonable bids, mainly from sinking fund demand, to switch holdings into higher yielding longer-term new issues. The active management of bond investments has always been a key aspect of our investment management service, and is particularly important in a year of change such as the one just completed.

The Conventional Mortgage Fund was again the fastest growing of the six Funds with Unit purchases exceeding \$34.4 million. Although there was a general scarcity of money for mortgage investments the Conventional Mortgage Fund, with its substantial flow of new money, was able to add prime quality loans to its portfolio at attractive rates of interest. In view of the importance of this Fund, participants will be interested in a breakdown of the mortgages as to their location and type. At the year-end this was as follows: —

Location	Type	
Maritime Provinces & Newfoundland	Houses & Duplexes	55.63%
Quebec	Multi-Dwelling	16.75%
Ontario	Commercial	12.22%
Prairie Provinces	Industrial	5.61%
British Columbia	Shopping Centres	5.71%
	Others	4.08%

It is noteworthy that only 0.35% of the total assets, or a principal amount of \$476,700, were three months or more in payment arrears, and that to date on a net basis there has been no loss experienced on foreclosure and/or liquidation. This, we believe, clearly reflects the quality of the mortgages held by this Fund.

Now that interest rates appear to be easing, the substantial purchases made during the past year in the various fixed income media should provide a benefit to participants in the form of higher unit prices.

It is worthwhile pointing out that the distribution of the assets among the six different Funds is not a reflection of the policy we are following in individual pension accounts. On our recommendation, a number of large pension clients with portfolios of individual stocks and bonds use the two Classified Mortgage Funds as their vehicle for mortgage investments. The consequence of this is that \$160,997,036, or 52% of the total net assets at market of Classified Funds are represented by mortgages. A more meaningful analysis would be to take only those participants whose entire portfolio is in the Classified medium. This would show that the ratio is now in the order of 60% in fixed income and 40% in equities. It would further reveal that the policy is to divert substantially more of the available funds to the equity sector.

Investment Research

During the year a study in depth of our entire investment operation was carried out. This has already led to certain significant changes that in a short period of time have produced tangible results. The research facilities we now have provide a greatly extended coverage of the markets in both Canada and the United States, thus permitting investments to be made in a far greater variety of industrial classifications, as well as in a broader list of companies.

Supplementing this is our growing conviction of the value we attach to the use of electronic computers and their application in the investment research and management fields. Our Research Department has on its staff experts who make regular use of our own extensive computer facilities and, as well, carry out special projects at the computer centre at McGill University. It will also interest participants to know that we were invited during the year to join a group of thirty major U.S. financial firms to sponsor the "Institute for Quantitative Research in Finance" at Princeton University. The Royal Trust is the only Canadian participant.

The Carter Report

The Royal Commission on Taxation has recommended many changes to tax legislation concerning pension and other retirement income plans. Highlights of these recommendations were summarized on our monthly report for March which you have already received.

We do not propose to take specific investment action as a result of the Carter Report until the situation has been clarified. However, our

continued emphasis in equities would certainly be profitable should the recommendations of the Report be implemented, since the new tax structure would definitely favour this form of investment.

Conclusion

Participants will recall that in the 7th Annual Report for the year ended March 31, 1963, we initiated a method of measuring investment performance giving proper recognition to the market value of the assets. Since that time a chart has appeared in each year's Annual Report which enables every participant to assess the results of his investments in the Common Stock Fund. This chart will be found once again on the back cover.

The historical record of performance of the Classified Funds covering eleven years speaks for itself. We believe the objectives for which these Funds were established are being achieved, as evidenced by the fact that Classified Funds are the largest of their type in Canada. We assure you of our intent to continue to provide an investment vehicle that will meet your future requirements.

J. E. Trenholme
General Supervisor —
Corporate and Pension Trusts

Montreal, Que.,
May 5, 1967.

RIDDELL, STEAD, GRAHAM & HUTCHISON
CHARTERED ACCOUNTANTS

630 DORCHESTER BLVD. W.
MONTREAL 2

To The Trustee
The Royal Trust Company
Classified Investment Funds for Pension Trusts

We have examined the accompanying financial statements of The Royal Trust Company Classified Investment Funds for Pension Trusts for the year ended March 31, 1967 comprising the statements of financial position as at that date and the statements of earnings and investments for the year then ended, in respect of Government bond fund, corporate fixed income fund, Canadian common stock fund, foreign common stock fund, N.H.A. mortgage fund and conventional mortgage fund. Our examination included a general review of the accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the aforementioned statements present fairly the financial position of the funds as at March 31, 1967 and the results of their operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Riddell, Stead, Graham & Hutchison

April 24, 1967

Bond Funds

Statement of Financial Position

as at March 31, 1967

	Government Bond Fund		Corporate Fixed Income Fund	
	1967	1966	1967	1966
Investments at market value	\$ 8,499,787	\$10,505,727	\$49,780,771	\$48,171,970
Other assets less liabilities (Note 1)	933,615	369,260	1,545,024	1,780,667
Total fund at market value	<u>\$ 9,433,402</u>	<u>\$10,874,987</u>	<u>\$51,325,795</u>	<u>\$49,952,637</u>
Units outstanding	107,369	122,526	560,538	531,209
Unit prices	\$ 87.8596	\$ 88.7566	\$ 91.5652	\$ 94.0358

Statement of Earnings

for the year ended March 31, 1967

Investment income	\$ 609,728	\$ 627,640	\$ 3,172,483	\$ 2,938,721
Less: Expenses	399	1,220	1,383	3,812
	<u>\$ 609,329</u>	<u>\$ 626,420</u>	<u>\$ 3,171,100</u>	<u>\$ 2,934,909</u>
Distributions made to participants	\$ 562,031	\$ 573,015	\$ 2,893,956	\$ 2,676,500
Due to participants — March earnings	47,298	53,405	277,144	258,409
	<u>\$ 609,329</u>	<u>\$ 626,420</u>	<u>\$ 3,171,100</u>	<u>\$ 2,934,909</u>

Statement of Unit Valuations and Earnings (Note 2)

	Valuation	Earnings	Valuation	Earnings
April 1966	\$ 88.7313	\$.4177149	\$ 93.9097	\$.4735970
May	88.1725	.4331172	93.7308	.4839306
June	87.7560	.4136345	93.5507	.4836732
July	86.7349	.4490734	92.8564	.4931076
August	84.6640	.4229614	91.2858	.4862646
September	85.0964	.4215927	91.1833	.4727740
October	84.9428	.4581659	91.1960	.4882500
November	84.0498	.4609974	90.3676	.4763295
December	84.4548	.4315176	90.6173	.4947897
January 1967	86.5627	.4242954	91.8220	.4945136
February	86.6966	.4020593	91.6258	.4469039
March	87.8596	.4405158	91.5652	.4944242

Note 1. Other assets less liabilities consist of the net aggregate cash, amount due from or to investment dealers, accrued income, income distribution due to participants and accrued administrative expenses.

Note 2. Unit valuations are established as at the close of business on the last day of the month and are used for the purchase or redemption of units as at the first business day of the following month.

Unit earnings represent each unit's proportionate share of net earnings of the fund during the month indicated and are distributed to participants as at the first business day of the following month.

Bond Funds

Common Stock Funds

Mortgage Funds

Government Bond Fund

Par Value	Investments — March 31, 1967	Interest Rate	Maturity Date	Cost	Market Value
Provincial and Provincial Guaranteed and Subsidized					
\$ 200,000	B.C. Hydro	5.75 %	18/4/91	\$ 196,000	\$ 190,000
300,000	Manitoba	5.75	15/1/81	297,613	293,625
250,000	Manitoba Hydro	6.25	1/2/89	251,875	256,250
200,000	Manitoba Hydro	6.25	1/10/86	196,640	205,000
150,000	New Brunswick	5.50	15/1/84	149,812	137,812
300,000	New Brunswick Electric Power	5.50	15/6/94	299,875	268,500
75,000	New Brunswick Electric Power	5.50	31/12/94	74,438	67,125
50,000	New Brunswick Electric Power	5.50	31/12/99	49,750	44,438
200,000	New Brunswick Electric Power	5.75	15/10/95	195,800	182,000
550,000	Newfoundland	6.75	15/1/92	539,000	561,000
100,000	Nova Scotia	6.50	2/1/92	98,500	103,875
100,000	Nova Scotia	5.25	1/5/85	98,625	90,750
150,000	Nova Scotia	5.50	1/3/94	145,710	136,875
200,000	Ontario	5.25	1/12/83	185,250	186,000
200,000	Ontario	5.25	1/12/84	199,000	186,250
650,000	Ontario	5.25	15/4/85	618,562	605,312
250,000	Ontario	5.50	15/9/83	249,250	240,000
250,000	Ontario Hydro	5.00	15/6/83	242,639	227,500
200,000	Ontario Hydro	5.50	15/7/80	202,000	191,250
250,000	Ontario Hydro	6.25	15/1/89	248,750	259,687
300,000	Ontario Hydro	5.75	4/1/88	300,000	295,875
500,000	Pacific Great Eastern Railway	5.75	1/6/91	478,995	475,000
150,000	Prince Edward Island	6.50	15/10/86	148,125	151,500
150,000	Prince Edward Island	6.25	15/3/92	146,250	146,625
250,000	Quebec	5.75	15/10/90	245,125	233,125
200,000	Quebec	5.50	15/6/86	196,000	182,500
150,000	Quebec	5.75	1/2/86	149,625	141,000
200,000	Quebec Hydro	5.00	15/11/79	197,663	177,750
500,000	Quebec Hydro	5.50	1/6/88	493,562	453,125
300,000	Quebec Hydro	6.50	1/2/90	303,000	305,250
110,000	Saskatchewan	6.00	1/3/87	107,525	110,138
<u>\$7,435,000</u>				<u>\$7,304,959</u>	<u>\$7,105,137</u>

Municipal and Municipal Guaranteed and Subsidized					
\$ 102,000	Baie Comeau	5.50 %	1/12/78	\$ 97,247	\$ 90,525
150,000	Montreal	5.75	15/11/83	148,245	135,375
100,000	Montreal	5.75	1/6/89	98,500	90,000
300,000	Montreal R.C. School Board	6.50	1/11/88	283,290	293,250
100,000	Pointe Claire	5.75	1/5/83	100,000	88,000
100,000	Toronto Metro	6.25	1/11/86	101,690	102,000
200,000	Toronto Metro	6.00	15/3/86	198,000	198,500
200,000	Toronto Metro	6.00	15/6/86	198,000	198,500
200,000	Toronto Metro	6.00	1/3/97	196,500	198,500
<u>\$1,452,000</u>				<u>\$1,421,472</u>	<u>\$1,394,650</u>
<u>\$8,887,000</u>				<u>\$8,726,431</u>	<u>\$8,499,787</u>

Yields on Fund

5.95 %

6.19 %

Government Bond Fund

Par Value	Purchases During the Year	Interest Rate	Maturity Date
\$ 400,000	Canada	5.75 %	1/9/92
220,000	Canada	5.00	1/6/88
150,000	Alberta Municipal Financing	5.75	15/6/91
200,000	Alberta Municipal Financing	6.25	15/11/89
150,000	B.C. Hydro	6.25	1/12/91
200,000	B.C. Hydro	5.75	18/4/91
250,000	Manitoba	6.25	1/2/89
200,000	Manitoba Hydro	6.25	1/10/86
550,000	Newfoundland	6.75	15/1/92
100,000	Nova Scotia	6.50	2/1/92
200,000	Ontario	5.25	15/4/85
200,000	Ontario	5.25	1/12/83
300,000	Ontario Hydro	6.00	15/3/90
250,000	Ontario Hydro	6.25	15/1/89
500,000	Ontario Hydro	6.00	15/4/88
500,000	Pacific Great Eastern Railway	5.75	1/6/91
150,000	Prince Edward Island	6.25	15/3/92
150,000	Prince Edward Island	6.50	15/10/86
100,000	Quebec	6.50	1/10/91
450,000	Quebec	6.00	1/6/91
300,000	Quebec Hydro	6.50	1/2/90
110,000	Saskatchewan	6.00	1/3/87
100,000	Saskatchewan	6.25	1/10/86
300,000	Montreal R.C. School Board	6.50	1/11/88
200,000	Toronto Metro	6.00	1/3/97
50,000	Toronto Metro	6.25	1/11/96
100,000	Toronto Metro	6.25	1/11/86
200,000	Toronto Metro	6.00	15/6/86
<u>\$6,580,000</u>			

Government Bond Fund

Par Value	Sales and Redemptions During the Year	Interest Rate	Maturity Date
\$ 400,000	Canada	5.75%	1/9/92
450,000	Canada	5.25	1/5/90
220,000	Canada	5.00	1/6/88
150,000	Alberta Municipal Financing	5.75	15/6/91
200,000	Alberta Municipal Financing	6.25	15/11/89
400,000	Alberta Municipal Financing	5.25	15/6/87
100,000	Alberta Municipal Financing	5.50	1/11/86
200,000	Alberta Municipal Financing	5.50	1/6/84
300,000	Alberta Government Telephone	5.25	15/4/85
150,000	B.C. Hydro	6.25	1/12/91
200,000	Gander Hospital Nfld.	6.25	1/12/88
293,000	Grand Falls Hospital Nfld.	6.50	1/9/87
300,000	Manitoba	5.25	15/9/81
200,000	New Brunswick Electric Power	5.50	1/11/88
207,000	Nurses Training School Nfld.	6.50	1/12/86
300,000	Ontario Hydro	6.00	15/3/90
500,000	Ontario Hydro	6.00	15/4/88
200,000	Ontario Hydro	5.25	1/2/84
150,000	Ontario Hydro	5.75	1/7/79
150,000	Prince Edward Island	5.50	1/11/81
550,000	Quebec Autoroutes	5.75	15/7/89
100,000	Quebec	6.50	1/10/91
450,000	Quebec	6.00	1/6/91
500,000	Quebec	5.25	15/12/87
600,000	Quebec Hydro	5.00	15/2/95
100,000	Saskatchewan	6.25	1/10/86
200,000	Saskatchewan	5.50	1/12/85
6,000	Baie Comeau	5.50	1/12/78
100,000	Greater Winnipeg Water District	6.00	2/5/75
50,000	Toronto Metro	6.25	1/11/96
100,000	Toronto Metro	6.00	15/3/86
400,000	Toronto Metro	5.50	1/10/84
200,000	Toronto Metro	5.50	15/5/84
100,000	Toronto Metro	5.50	1/2/84
155,000	Toronto Metro	5.25	1/10/83
100,000	Toronto Metro	5.25	15/3/83
100,000	Toronto Metro	5.50	15/2/82
<hr/>			
\$8,881,000			

Corporate Fixed Income Fund

Par Value	Investments — March 31, 1967	Interest Rate	Maturity Date	Cost	Market Value
Provincial and Provincial Guaranteed and Subsidized					
\$ 200,000	Gander Hospital Nfld.	6.25 %	1/12/88	\$ 187,250	\$ 188,500
289,000	Grand Falls Hospital Nfld.	6.50	1/9/87	280,691	281,053
291,467	Mount Peyton Motel Nfld.	6.50	15/4/86	290,600	277,622
207,000	Nurses Training School Nfld.	6.50	1/12/86	198,979	199,238
750,000	Quebec Hydro	6.00	1/2/91	749,013	722,812
200,000	Quebec Power	6.25	1/9/82	201,000	198,000
<u>\$ 1,937,467</u>				<u>\$ 1,907,533</u>	<u>\$ 1,867,225</u>
Associations					
\$ 296,681	Royal Montreal Golf Club	6.00 %	1/11/83	\$ 290,747	\$ 276,655
Commercial					
\$ 211,000	Brewers Warehousing Stores	5.75 %	1/11/80	\$ 211,000	\$ 193,329
400,000	Budd Automotive	6.75	2/5/86	400,000	394,000
98,561	Can-Dom Leasing Ltd.	7.125	10/2/73	98,561	98,561
15,150	Can-Dom Leasing Ltd.	7.00	10/6/68	15,150	15,150
240,000	Creland Equipment Lessors	6.50	15/2/74	240,000	235,800
123,000	Creland Equipment Lessors	5.75	15/2/75	121,428	115,928
445,683	First Pacific Stations	6.125	1/4/84	445,684	420,056
223,000	A. J. Freiman	6.00	15/6/79	223,000	211,292
200,000	Gazette Printing	6.50	15/10/74	200,000	198,000
312,000	La Cie Publication La Presse	6.875	15/2/80	312,000	311,220
200,000	Loblaw Groceterias	6.75	15/3/91	197,000	199,500
300,000	Loblaw Groceterias	6.375	1/3/91	300,000	293,250
375,000	Owen Owen (Canada)	6.25	1/10/84	375,000	365,625
200,000	Reitman's	7.00	1/5/80	200,000	199,500
250,000	Reitman's	6.00	15/7/85	250,000	234,375
250,000	Silverwood Dairies	6.625	15/7/86	250,000	246,875
250,000	Simpsons	5.75	15/7/85	250,000	233,125
250,000	Steinberg	5.75	15/6/84	249,852	233,125
265,000	Steinberg	6.625	15/4/86	264,707	264,338
200,000	Zeller's	5.50	1/6/82	200,000	182,000
<u>\$ 4,808,394</u>				<u>\$ 4,803,382</u>	<u>\$ 4,645,049</u>
Financial					
\$ 500,000	Crédit Foncier	5.50 %	15/6/83	\$ 500,000	\$ 417,500
275,000	Crédit Foncier	5.75	2/7/84	271,938	237,875
224,000	Crédit Foncier	5.25	15/6/82	203,560	185,360
300,000	Crédit Foncier	5.50	1/12/74	297,621	275,250
200,000	T. Eaton Acceptance	5.75	15/4/84	199,000	184,000
293,000	T. Eaton Acceptance	5.75	15/4/81	288,751	271,025
264,000	T. Eaton Acceptance	6.75	1/4/80	262,680	265,320
300,000	T. Eaton Acceptance	5.75	1/5/83	294,000	277,500
225,000	General Motors Acceptance Canada	6.25	15/11/77	234,844	221,625
200,000	Hudson's Bay Acceptance	6.00	1/9/80	200,000	184,500
300,000	Hudson's Bay Acceptance	5.75	1/11/83	300,000	269,250
500,000	Industrial Acceptance W./Wts.	6.75	15/8/84	495,000	526,250
300,000	Industrial Acceptance	5.75	15/11/81	300,000	264,000
450,000	Industrial Acceptance	7.50	15/12/86	450,000	464,625
450,000	Int. Harvester Credit (Canada)	5.75	1/3/82	450,000	402,750
250,000	Int. Harvester Credit (Canada)	5.75	1/9/84	250,000	223,750
500,000	Kinross Mortgage	5.625	2/7/84	498,750	450,000
218,000	Laurentide Financial	6.50	1/3/81	215,994	181,485
310,000	Leaseway	7.00	21/11/72	310,000	310,000
330,000	Niagara Finance Ser. 1	5.75	15/4/84	324,225	283,800
400,000	Niagara Finance Ser. 2	5.75	1/5/85	397,600	348,000
650,000	Niagara Finance Ser. 3	5.75	1/5/85	642,395	565,500
200,000	Ocean Company	6.25	30/3/85	200,000	186,000

Corporate Fixed Income Fund

Par Value	Investments — March 31, 1967	Interest Rate	Maturity Date	Cost	Market Value
400,000	Power Corp.	5.50	1/3/77	392,185	364,000
100,000	RoyNat	5.50	15/3/80	100,000	93,500
325,000	RoyNat	6.00	15/1/79	327,375	305,500
250,000	Simpsons Acceptance	5.75	1/4/84	246,438	229,375
300,000	Simpsons Acceptance	6.00	15/5/81	300,000	282,750
200,000	Traders Finance	5.75	15/9/81	202,000	161,500
350,000	Traders Finance	5.75	1/5/84	347,000	281,750
\$ 9,564,000				\$ 9,501,356	\$ 8,713,740

Industrial

\$ 350,000	Algoma Steel	5.25 %	15/5/78	\$ 349,375	\$ 320,250
493,000	BP Refinery (Canada)	5.75	1/10/86	490,433	458,490
350,000	Bathurst Paper	6.00	2/1/84	350,000	325,500
450,000	British Titan Canada	6.00	3/7/82	450,000	417,375
200,000	Bruck Mills	6.25	15/6/85	200,000	187,000
179,200	Canada Starch	6.25	1/12/85	179,200	172,032
342,000	Canadian Hydrocarbons	6.25	15/12/82	342,000	327,465
224,000	Canadian Hydrocarbons	6.50	15/8/81	224,000	220,640
200,000	Canadian Industries Ltd.	5.625	1/12/84	200,000	186,000
300,000	Canadian Industries Ltd.	5.75	1/12/77	306,125	282,000
239,000	Canadian Liquidaire Properties	5.75	15/1/82	239,000	218,685
244,000	Cleyn & Tinker	6.50	1/11/85	239,791	233,020
200,000	Consumer's Glass	5.50	15/6/78	201,800	185,000
600,000	Consumer's Glass	7.25	30/9/86	600,000	609,000
550,000	Dominion Bridge	6.50	15/4/86	550,000	539,000
341,000	Dominion Foundries & Steel	6.375	1/12/74	345,476	340,147
200,000	Dominion Rubber	5.875	1/8/85	200,000	186,500
320,000	Dominion Steel & Coal	5.75	1/6/84	307,450	268,800
250,000	Dominion Steel & Coal	6.00	15/7/85	246,250	215,000
300,000	Domtar	5.75	1/4/84	292,500	274,500
385,000	Domtar	5.625	1/5/90	381,150	342,650
500,000	Domtar	5.50	1/4/82	502,500	445,000
350,000	Domtar	5.25	1/6/78	334,974	310,625
1,100,000	Dominion Textile	5.625	31/3/88	1,094,750	973,500
500,000	Dominion Textile	6.75	15/4/90	500,000	498,750
275,000	Dryden Chemicals	6.00	1/8/71	275,000	264,000
200,000	Emco	5.75	15/6/85	200,000	183,000
250,000	Federal Grain	6.00	15/10/85	247,500	236,250
249,000	James Howden & Parsons (Canada)	6.25	15/9/81	249,000	238,418
500,000	James Howden & Parsons (Canada)	7.00	15/7/86	500,000	502,500
200,000	Hudson's Bay Oil & Gas	5.50	15/6/83	200,000	180,000
300,000	Irving Refining	5.75	1/5/80	299,009	278,250
369,000	Irving Oil	6.50	1/3/81	371,152	361,620
75,000	John Labatt	5.50	2/1/79	73,800	68,250
409,000	John Labatt	5.75	15/5/81	404,934	374,235
400,000	John Labatt	5.75	1/10/89	398,000	365,000
300,000	Lever Bros.	6.00	1/10/85	300,000	282,000
250,000	Maple Leaf Mills	5.75	1/12/81	247,125	231,250
200,000	Millhaven Fibres	7.50	1/12/86	200,000	207,000
200,000	Miron	6.00	1/8/90	200,000	183,500
176,000	Nottingham Gas	6.375	1/6/80	176,000	172,920
300,000	Otis Elevator	7.00	15/9/86	300,000	305,250
200,000	Phillips Cables	5.75	1/2/85	198,000	183,000
475,000	Price Co.	5.75	1/12/82	480,200	442,937
250,000	Alphonse Raymond	6.75	1/3/86	250,000	232,500
250,000	Reed Paper	6.50	15/11/85	250,000	248,750
250,000	Hugh Russel	6.25	15/10/85	246,250	233,125
352,000	Sangamo	6.00	15/12/82	352,000	327,360
250,000	Shell (Canada)	5.75	1/10/83	248,525	231,875
348,000	Slater Steel	6.00	1/1/82	348,000	325,380
450,000	South Nelson Forest Products	6.75	1/2/84	450,000	419,625
692,000	Steel Co. of Canada	5.50	1/5/90	685,080	610,690

Corporate Fixed Income Fund

Par Value	Investments — March 31, 1967	Interest Rate	Maturity Date	Cost	Market Value
400,000	St. Lawrence Fertilizers	6.00	1/4/80	400,000	364,000
390,000	Thurso Pulp & Paper	5.75	2/1/87	390,000	359,775
235,000	Union Electric Supply	6.50	1/7/73	235,000	229,712
<u>\$18,362,200</u>				<u>\$18,301,349</u>	<u>\$17,179,101</u>

Oil & Gas Pipelines

\$ 275,000	Alberta Gas Trunk Line	5.75 %	1/4/85	\$ 275,000	\$ 256,438
400,000	Alberta Gas Trunk Line	5.50	15/3/85	400,000	368,000
300,000	Interprovincial Pipe Line	5.50	1/4/85	300,000	273,000
350,000	Trans-Canada Pipe Lines	5.85	1/1/87	312,813	324,625
203,000	Trans-Canada Pipe Lines	6.25	1/5/83	204,157	197,164
93,000	Trans-Canada Pipe Lines	5.50	1/10/78	93,116	85,327
140,400	Trans-Northern Pipe Line	5.50	1/12/73	140,400	127,764
<u>\$ 1,761,400</u>				<u>\$ 1,725,486</u>	<u>\$ 1,632,318</u>

Public Utility

\$ 300,000	Avalon Telephone	7.00 %	15/12/91	\$ 300,000	\$ 304,500
400,000	Bell Telephone	6.00	2/1/86	403,375	395,500
500,000	Bell Telephone	5.75	2/8/82	501,750	481,250
500,000	Bell Telephone	6.25	2/1/78	533,750	500,625
225,000	Bell Telephone	5.50	2/1/82	223,313	210,375
300,000	Bell Telephone	5.75	1/10/84	300,000	286,500
300,000	Bell Telephone	6.375	1/2/90	306,000	305,250
200,000	B.C. Telephone	5.625	15/4/88	199,000	178,000
350,000	B.C. Telephone	6.375	15/3/91	348,250	348,250
200,000	B.C. Telephone	5.00	1/4/82	192,100	172,000
200,000	B.C. Telephone	5.25	1/11/83	197,250	175,000
400,000	B.C. Telephone	5.75	1/8/85	399,000	370,000
200,000	Calgary Power	5.75	1/12/83	203,000	185,000
190,000	Consumers' Gas	6.50	15/12/79	190,000	190,475
250,000	Inland Natural Gas	6.25	1/5/83	258,750	237,500
250,000	Maritime Electric	5.75	1/12/83	250,000	228,750
300,000	Maritime Tel. & Tel.	5.50	1/11/80	300,000	277,500
200,000	Maritime Tel. & Tel.	6.50	15/3/87	200,000	199,500
100,000	New Brunswick Telephone	5.125	1/4/79	101,000	88,750
400,000	New Brunswick Telephone	5.625	1/3/82	398,000	362,000
300,000	New Brunswick Telephone	5.75	1/3/84	301,770	273,000
225,000	New Brunswick Telephone	6.50	1/9/86	225,000	225,000
150,000	Northern Telephone	5.75	1/5/83	150,000	137,250
297,000	Nova Scotia Light & Power	5.75	1/4/84	297,742	272,498
100,000	Quebec Natural Gas	6.00	1/1/80	99,958	91,500
250,000	Quebec Natural Gas	6.00	1/6/88	251,575	217,500
300,000	Quebec Telephone	5.50	1/6/87	302,040	259,500
400,000	Union Gas	7.00	5/1/87	400,000	410,000
100,000	Union Gas	5.25	15/1/78	99,804	91,250
300,000	Union Gas	5.50	1/12/77	304,087	277,500
241,000	Union Gas	5.75	15/7/81	242,627	225,937
270,000	Union Gas	5.75	15/8/83	270,000	252,450
<u>\$ 8,698,000</u>				<u>\$ 8,749,141</u>	<u>\$ 8,230,110</u>

Corporate Fixed Income Fund

Par Value	Investments — March 31, 1967	Interest Rate	Maturity Date	Cost	Market Value
Realty					
\$ 730,000	Allied Development	6.50 %	1/9/96	\$ 728,870	\$ 682,550
294,000	Atlantic Properties	6.50	1/11/87	294,000	277,830
384,000	Atlantic Properties	6.25	1/7/90	384,000	347,520
323,000	Cascade Commercial Centre	6.75	15/7/83	323,000	314,118
100,000	T. Eaton Realty	5.25	15/12/76	98,510	91,500
174,000	Foundation Scottish Properties	6.50	1/4/95	173,240	167,475
200,000	Hudson's Bay Properties	5.75	2/7/90	200,000	183,000
49,000	Les Immeubles Delrano	6.75	1/12/68	49,000	47,163
51,000	Les Immeubles Delrano	6.75	1/12/69	51,000	49,087
53,000	Les Immeubles Delrano	6.75	1/12/70	53,000	51,013
58,000	Les Immeubles Delrano	6.75	1/12/71	58,000	55,825
61,000	Les Immeubles Delrano	6.75	1/12/72	61,000	58,713
68,000	Les Immeubles Delrano	6.75	1/12/73	68,000	65,450
70,000	Les Immeubles Delrano	6.75	1/12/74	70,000	67,375
76,000	Les Immeubles Delrano	6.75	1/12/75	76,000	73,150
300,000	Ivanhoe Corp.	6.75	1/6/91	300,000	297,000
461,000	Liklar Holdings	6.50	1/12/94	461,519	446,018
171,000	Malton Leaseholds	6.625	15/3/80	171,000	169,290
248,000	Mayfair Shopping Centre	6.375	1/10/88	248,000	233,120
431,000	Morgan's Rockland Centre	6.00	1/10/82	430,935	399,752
472,000	Nairnax	6.50	15/11/85	472,000	448,400
354,000	Pointe Claire Realty	5.75	1/10/89	354,000	311,520
232,000	Press Holdings	5.75	1/7/84	230,144	212,280
129,000	Shell Properties	5.75	1/5/82	129,211	119,647
200,000	Toronto-Dominion Towers	5.625	1/4/89	200,000	178,000
<u>\$ 5,689,000</u>				<u>\$ 5,684,429</u>	<u>\$ 5,346,796</u>
Transportation					
\$ 70,000	Canadian General Transit	6.00 %	15/3/75	\$ 70,700	\$ 66,150
70,000	Canadian General Transit	6.00	15/3/76	70,700	66,150
70,000	Canadian General Transit	6.00	15/3/77	70,700	66,150
70,000	Canadian General Transit	6.00	15/3/78	70,700	66,150
70,000	Canadian General Transit	6.00	15/3/79	70,700	66,150
70,000	Canadian General Transit	6.00	15/3/82	70,700	66,150
70,000	Canadian General Transit	6.00	15/3/83	70,700	66,150
70,000	Canadian General Transit	6.00	15/3/84	70,700	66,150
200,000	Canadian Pacific Railway	5.00	1/2/83	194,969	176,500
340,000	Dominion Rolling Stock	6.00	1/5/78	340,000	299,200
300,000	Hall Corp. of Canada	6.25	1/6/84	300,000	286,500
371,000	Papachristidis Tankers	6.50	15/4/80	371,000	353,377
<u>\$ 1,771,000</u>				<u>\$ 1,771,569</u>	<u>\$ 1,644,777</u>
Other					
\$ 250,000	Montex Apparel Industries W./Wts.	6.50 %	15/11/80	\$ 250,000	\$ 245,000
<u>\$53,138,142</u>				<u>\$52,984,992</u>	<u>\$49,780,771</u>
Yields on Fund				6.09 %	6.70 %

Corporate Fixed Income Fund

Par Value	Purchases During the Year	Interest Rate	Maturity Date
\$ 200,000	Gander Hospital Nfld.	6.25%	1/12/88
291,000	Grand Falls Hospital Nfld.	6.50	1/9/87
291,468	Mount Peyton Motel Nfld.	6.50	15/4/86
207,000	Nurses Training School Nfld.	6.50	1/12/86
400,000	Quebec	6.50	1/10/91
400,000	Budd Automotive	6.75	2/5/86
1,000	La Tribune	6.50	1/10/73
200,000	Loblaw Groceterias	6.75	15/3/91
250,000	Silverwood Dairies	6.625	15/7/86
565,000	Steinberg	6.625	15/4/86
50,000	B.P. Tankers Finance	6.25	1/10/85
25,000	Crédit Foncier	5.75	2/7/84
25,000	T. Eaton Acceptance	5.75	1/5/83
450,000	Industrial Acceptance	7.50	15/12/86
500,000	Industrial Acceptance W./Wts.	6.75	15/8/84
25,000	RoyNat	6.00	15/1/79
50,000	Simpsons Acceptance	5.75	1/4/84
250,000	World Bank	6.25	4/1/92
50,000	B.P. Refinery (Canada)	5.75	1/10/86
10,000	Cleyn & Tinker	6.50	1/11/85
600,000	Consumer's Glass	7.25	30/9/86
550,000	Dominion Bridge	6.50	15/4/86
50,000	Dominion Steel & Coal	5.75	1/6/84
500,000	Dominion Textile	6.75	15/4/90
50,000	Dominion Textile	5.625	31/3/88
100,000	Domtar	5.75	1/4/84
50,000	Domtar	5.25	1/6/78
500,000	James Howden & Parsons (Canada)	7.00	15/7/86
200,000	Millhaven Fibres	7.50	1/12/86
300,000	Otis Elevator	7.00	15/9/86
25,000	Price Co.	5.75	1/12/82
300,000	Avalon Telephone	7.00	15/12/91
300,000	Bell Telephone	6.375	1/2/90
400,000	Bell Telephone	6.125	15/7/87
25,000	Bell Telephone	5.50	2/1/82
350,000	B.C. Telephone	6.375	15/3/91
200,000	Maritime Tel. & Tel.	6.50	15/3/87
225,000	New Brunswick Telephone	6.50	1/9/86
400,000	Union Gas	7.00	5/1/87
435,000	Allied Development	6.50	1/1/96
24,000	Foundation Scottish Properties	6.50	1/4/95
300,000	Ivanhoe Corp.	6.75	1/6/91
3,000	Morgan's Rockland Centre	6.00	1/10/82
\$10,127,468			

Corporate Fixed Income Fund

Par Value	Sales and Redemptions During the Year	Interest Rate	Maturity Date
\$ 400,000	Quebec	6.50%	1/10/91
350,000	Quebec	5.75	15/10/90
200,000	Quebec Hydro	6.00	1/12/91
150,000	Holt Renfrew	6.00	1/10/78
200,000	Loblaw Groceterias	5.75	1/11/81
300,000	Steinberg	6.625	15/4/86
250,000	B.P. Tankers Finance	6.25	1/10/85
100,000	Canborough	6.00	15/9/90
450,000	General Motors Acceptance (Canada)	6.50	15/3/75
100,000	Kinross Mortgage	5.625	2/7/84
100,000	RoyNat	5.50	15/3/80
250,000	World Bank	6.25	4/1/92
400,000	Canadian Breweries	5.50	1/4/86
280,000	Canadian British Aluminium	5.75	15/7/80
100,000	Emco	5.75	15/6/85
600,000	Northern Electric	5.50	15/12/82
300,000	Page-Hersey Tubes	5.50	1/4/83
335,000	St. Lawrence Corporation	6.75	15/6/80
60,000	Home Oil	6.50	1/11/77
400,000	Bell Telephone	6.125	15/7/87
200,000	Consumers' Gas	5.50	15/1/83
219,000	West Kootenay Power	5.75	1/2/85
148,000	Loblaw Leased Properties	5.75	15/5/84
281,000	Steinberg Shopping Centres	7.00	15/2/85
260,000	Triton Centres	6.375	1/3/90
316,000	Algoma Central Railway	5.75	1/3/79
100,000	Canadian Pacific Railway	5.00	1/2/83
561,077	Miscellaneous Redemptions		
<u>\$ 7,410,077</u>			

Common Stock Funds

	Canadian Common Stock Fund	Foreign Common Stock Fund	Total	Common Stock Fund (Note 3)
	1967	1967	1967	1966
Statement of Financial Position				
as at March 31, 1967				
Investments at market value	\$59,546,388	\$25,010,855	\$84,557,243	\$65,920,357
Other assets less liabilities (Note 1)	1,861,368	3,123,618	4,984,986	2,017,751
Total fund at market value	<u>\$61,407,756</u>	<u>\$28,134,473</u>	<u>\$89,542,229</u>	<u>\$67,938,108</u>
Units outstanding	431,774	199,030		483,536
Unit prices	\$ 142.2220	\$ 141.3580		\$ 140.5027

Statement of Earnings

for the year ended March 31, 1967

Investment income	\$ 1,767,738	\$ 493,438	\$ 2,261,176	\$ 1,885,864
Less: Expenses	1,546	938	2,484	3,469
	<u>\$ 1,766,192</u>	<u>\$ 492,500</u>	<u>\$ 2,258,692</u>	<u>\$ 1,882,395</u>
Distributions made to participants	\$ 1,552,805	\$ 429,961	\$ 1,982,766	\$ 1,667,997
Due to participants — March earnings	213,387	62,539	275,926	214,398
	<u>\$ 1,766,192</u>	<u>\$ 492,500</u>	<u>\$ 2,258,692</u>	<u>\$ 1,882,395</u>

Statement of Unit Valuations and Earnings (Note 2)

	Canadian Common Stock		Foreign Common Stock	
	Valuation	Earnings	Valuation	Earnings
April 1966	\$142.2230	\$.1358188	\$142.2230	\$.1358188
May	138.5872	.3895201	136.0673	.4841759
June	138.2440	.6005011	132.4202	.2117456
July	135.9445	.0970835	128.3743	.0614904
August	125.8058	.5376606	117.2945	.4307531
September	123.3211	.3951938	111.9237	.2091530
October	126.2349	.1726234	114.1840	.0734508
November	125.0813	.5540854	122.3104	.4276079
December	127.3574	.6167403	122.6879	.2179654
January 1967	136.0907	.1016552	131.7078	.1112419
February	138.4827	.4441987	133.8084	.2979266
March	142.2220	.4941098	141.3580	.3142214

Note 1. Other assets less liabilities consist of the net aggregate cash, amount due from or to investment dealers, accrued income, income distribution due to participants and accrued administrative expenses.

Note 2. Unit valuations are established as at the close of business on the last day of the month and are used for the purchase or redemption of units as at the first business day of the following month.

Unit earnings represent each unit's proportionate share of net earnings of the fund during the month indicated and are distributed to participants as at the first business day of the following month.

Note 3. As at April 30, 1966, the Common Stock Fund was split and the underlying assets and liabilities were allocated to the Canadian Common Stock Fund and the Foreign Common Stock Fund on the basis of their existing proportion of 70% Canadian and 30% Foreign.

Canadian Common Stock Fund

Par Value	Investments — March 31, 1967	Cost	Market Value	% Market
	Convertible Bonds			
\$375,000	Westcoast Transmission D 5.75% 1/11/84	\$ 397,125	\$ 403,125	.68
No. of Shares	Convertible Preferred			
5,275	Alcan Aluminium	\$ 232,996	\$ 212,978	
10,825	Cdn. General Electric	471,373	470,888	
1,800	Husky Oil	94,130	103,500	
		\$ 798,499	\$ 787,366	1.32
	Common Stocks			
	Banks			
18,900	Bank of Montreal	\$ 1,051,989	\$ 1,242,675	
20,800	Canadian Imperial Bank of Commerce	1,263,780	1,476,800	
16,800	Royal Bank	1,177,836	1,323,000	
		\$ 3,493,605	\$ 4,042,475	6.79
	Beverages			
58,500	Distillers Seagrams	\$ 1,944,594	\$ 2,296,125	
37,000	John Labatt	644,739	901,875	
35,200	Molson Breweries B	492,112	800,800	
44,800	Hiram Walker	1,163,804	1,478,400	
		\$ 4,245,249	\$ 5,477,200	9.20
	Chemicals			
55,300	Chemcell	\$ 937,036	\$ 781,113	
18,000	Union Carbide Canada	443,680	436,500	
		\$ 1,380,716	\$ 1,217,613	2.04
	Finance			
50,675	Industrial Acceptance	\$ 1,146,243	\$ 1,254,206	2.11
	Forest Products			
52,600	Domtar	\$ 998,953	\$ 920,500	
27,300	Great Lakes Paper	524,534	778,050	
42,800	MacMillan Bloedel	902,210	1,251,900	
		\$ 2,425,697	\$ 2,950,450	4.95
	Investment Companies			
49,800	The Investors Group	\$ 656,900	\$ 560,250	.94
	Merchandising			
59,800	Dominion Stores	\$ 1,047,230	\$ 1,210,950	
28,100	Simpsons	578,032	744,650	
40,350	Steinberg "A"	658,205	776,738	
47,550	Woodward Stores "A"	1,224,193	1,378,950	
29,125	Zellers	402,034	771,813	
		\$ 3,909,694	\$ 4,883,101	8.20
	Mines & Metals Senior Companies			
68,725	Alcan Aluminium	\$ 2,326,525	\$ 2,285,106	
21,200	Falconbridge Nickel	1,762,473	1,939,800	
26,920	International Nickel	2,109,968	2,665,080	
36,600	Noranda Mines	1,418,706	1,999,275	
		\$ 7,617,672	\$ 8,889,261	14.93

Canadian Common Stock Fund

No. of Shares	Investments — March 31, 1967	Cost	Market Value	% Market
	Mines & Metals Junior Companies			
5,300	Denison	\$ 203,101	\$ 314,025	
16,500	Placer Development	418,988	536,250	
15,000	Rio Algom	271,130	408,750	
		<u>\$ 893,219</u>	<u>\$ 1,259,025</u>	2.11
	Newspapers, Printing & Publishing			
24,670	Southam Press	\$ 743,639	\$ 999,135	1.68
	Office Equipment			
24,700	Moore Corp.	\$ 1,335,931	\$ 2,482,350	4.17
	Oil & Gas Senior Companies			
30,925	British American Oil	\$ 1,002,774	\$ 1,082,375	
9,900	Imperial Oil	482,519	582,863	
55,000	Shell Canada "A"	1,213,800	1,423,125	
		<u>\$ 2,699,093</u>	<u>\$ 3,088,363</u>	5.19
	Oil & Gas Junior Companies			
32,100	Husky Oil	\$ 425,682	\$ 453,413	
25,560	Jefferson Lake Petrochemical	699,995	766,800	
8,900	Union Oil Co. Canada	261,942	311,500	
		<u>\$ 1,387,619</u>	<u>\$ 1,531,713</u>	2.57
	Oil & Gas Pipe Lines			
13,000	Interprovincial Pipe Line	\$ 887,165	\$ 1,261,000	
26,900	Westcoast Transmission	760,145	726,300	
		<u>\$ 1,647,310</u>	<u>\$ 1,987,300</u>	3.34
	Real Estate			
50,000	M.E.P.C. Canadian Properties	\$ 147,306	\$ 157,500	.26
	Steel & Heavy Industry			
31,050	Algoma Steel Corp.	\$ 743,110	\$ 752,963	
19,800	Canada Iron Foundries	282,791	403,425	
77,000	Dominion Foundries & Steel	1,436,245	1,694,000	
65,640	Massey Ferguson	1,744,894	1,673,820	
87,500	Steel Co. of Canada	1,910,077	2,034,375	
		<u>\$ 6,117,117</u>	<u>\$ 6,558,583</u>	11.01
	Textile & Apparel			
29,305	Dominion Textile	\$ 1,007,544	\$ 791,235	1.33
	Transportation			
34,250	Canadian Pacific Railway	\$ 1,939,443	\$ 2,320,438	3.90
	Utilities — Communications			
10,027	Bell Telephone	\$ 480,170	\$ 505,110	
7,500	B.C. Telephone	528,550	513,750	
		<u>\$ 1,008,720</u>	<u>\$ 1,018,860</u>	1.71
	Utilities — Power & Water			
58,000	Calgary Power	\$ 1,338,654	\$ 1,348,500	
22,550	Great Lakes Power	494,033	513,013	
		<u>\$ 1,832,687</u>	<u>\$ 1,861,513</u>	3.13
	Utilities — Gas			
76,400	Consumers Gas	\$ 685,761	\$ 1,279,700	
40,700	International Utilities	844,008	1,170,125	
133,750	Northern & Central Gas	1,856,456	1,705,313	
68,250	Union Gas	410,125	870,188	
		<u>\$ 3,796,350</u>	<u>\$ 5,025,326</u>	8.44
		<u>\$50,627,378</u>	<u>\$59,546,388</u>	100.00%
	<i>Yields on Fund — based on indicated dividends</i>	3.82%	3.25%	

Canadian Common Stock Fund

Par Value	Purchases During the Year	No. of Shares	Purchases During the Year
	Convertible Bonds		Newspaper, Printing & Publishing
\$100,000	Home Oil 5.50 % 1/12/84	19,920	Southam Press
No. of Shares	Convertible Preferred Stocks		Office Equipment
8,250	Alcan Aluminium	3,100	Moore Corp
1,225	Canadian General Electric		
10,000	Husky Oil		
	Common Stocks	17,825	Oil & Gas — Senior Companies
	Banks	2,300	British American Oil
9,500	Bank of Montreal	55,000	Imperial Oil
6,800	Canadian Imperial Bank of Commerce		Shell Canada "A"
7,800	Royal Bank		
	Beverages	4,000	Oil & Gas — Junior Companies
34,600	Distillers-Seagrams	12,000	Hudson's Bay Oil & Gas
7,000	John Labatt	32,100	Jefferson Lake Petrochemical
1,600	Molson Breweries B	18,900	Husky Oil
13,600	Hiram Walker		Union Oil Co. Canada
	Chemicals	5,750	Oil & Gas Pipe Lines
18,600	Chemcell	26,900	Interprovincial Pipe Line
12,500	Union Carbide Canada		Westcoast Transmission
	Finance	5,000	Steel & Heavy Industry
11,675	Industrial Acceptance	3,800	Algoma Steel
	Forest Products	25,000	Canada Iron Foundries
4,000	B.C. Forest Products	30,840	Dominion Foundries & Steel
4,000	Great Lakes Paper	24,000	Massey Ferguson
1,000	MacMillan Bloedel		Steel Co. of Canada
	Investment Companies	8,725	Textiles
11,800	The Investors Group		Dominion Textile
	Merchandising	17,150	Transportation
15,800	Dominion Stores		Canadian Pacific Railway
2,425	Simpsons		
16,350	Steinberg "A"	565	Utilities — Communications
28,050	Woodward Stores "A"	1,000	Bell Telephone
4,000	Zellers		B.C. Telephone
	Mines & Metals — Senior Companies		Utilities — Power & Water
58,725	Alcan Aluminium	24,700	Calgary Power
17,300	Falconbridge Nickel	250	Great Lakes Power
8,920	International Nickel		
5,900	Noranda Mines		
	Mines & Metals — Junior Companies	13,700	Utilities — Gas
3,500	Denison	13,000	Consumers Gas
5,500	Placer Development	74,750	International Utilities
			Northern & Central Gas

Canadian Common Stock Fund

Par Value	Sales During the Year	No. of Shares	Sales During the Year
	Convertible Bonds		Mines & Metals — Junior Companies
\$260,000	Simpsons 5.50 % 15/9/79	11,000	Denison
300,000	Trans-Canada Pipe Lines 5 % 1/6/88	5,000	Rio Algom
100,000	Home Oil 5.50 % 1/12/84		
	Convertible Preferred		Office Equipment
No. of Shares		500	Moore Corp.
12,025	Alcan Aluminium		
8,200	Husky Oil		Oil & Gas — Senior Companies
	Common Stocks	12,000	British American Oil
	Banks	10,000	Imperial Oil
5,000	Bank of Montreal		Oil & Gas — Junior Companies
2,000	Canadian Imperial Bank of Commerce	32,300	Hudson's Bay Oil & Gas
2,500	Royal Bank	10,000	Union Oil Co. of Canada
	Chemicals		Oil & Gas Pipe Lines
30,000	Canadian Industries Ltd.	4,000	Trans-Canada Pipe Line
2,825	Du Pont of Canada		
25,500	Union Carbide Canada		Steel & Heavy Industry
	Forest Products	14,500	Algoma Steel
27,700	Abitibi Paper	30,200	Canada Iron Foundries
13,500	Bathurst Paper	10,000	Dominion Foundries & Steel
24,870	B.C. Forest Products	5,000	Steel Co. of Canada
3,000	Domtar		Textiles
	Merchandising	3,500	Dominion Textile
5,000	Simpsons		Utilities — Communications
9,000	Woodward Stores "A"	8,838	Bell Telephone
	Mines & Metals — Senior Companies		Utilities — Gas
5,000	Alcan Aluminium		Consumers Gas
8,700	Falconbridge Nickel	12,500	Union Gas
2,500	International Nickel	6,000	
No. of Shares	Miscellaneous Transactions During the Year		
16,800	Molson Breweries "B" 2 for 1 split	20,275	Algoma Steel 2 for 1 split
10,525	MacMillan Bloedel Pfd. stock dividend received and redeemed	40,000 49,500	Northern & Central Gas 2 for 1 split Union Gas 3 for 1 split
560	Jefferson Lake Petrochemical 4 % stock dividend		

Foreign Common Stock Fund

No. of Shares	Investments — March 31, 1967	Cost	Market Value	% Market
	Amusement			
10,000	Columbia Broadcasting System	\$ 741,193	\$ 740,159	
3,000	Walt Disney	278,406	285,780	
		<u>\$ 1,019,599</u>	<u>\$ 1,025,939</u>	4.10
	Aerospace			
6,000	Boeing	<u>\$ 426,198</u>	<u>\$ 535,838</u>	2.14
	Automobiles			
9,000	Ford Motor	<u>\$ 455,568</u>	<u>\$ 499,303</u>	2.00
	Building & Construction			
12,000	Carrier	<u>\$ 1,107,394</u>	<u>\$ 1,253,535</u>	5.01
	Chemicals			
16,000	Celanese	\$ 1,235,256	\$ 1,013,220	
9,200	Dow Chemical	693,260	770,578	
17,280	Monsanto	1,002,008	848,767	
		<u>\$ 2,930,524</u>	<u>\$ 2,632,565</u>	10.53
	Containers			
20,000	Crown Cork & Seal	\$ 1,022,249	\$ 1,179,925	
7,000	Owens Illinois	367,343	458,439	
		<u>\$ 1,389,592</u>	<u>\$ 1,638,364</u>	6.55
	Drugs, Soaps & Toiletries			
9,000	Bristol-Myers	\$ 324,036	\$ 674,668	
11,000	Revlon	560,240	730,823	
5,000	Tampax	544,106	757,750	
		<u>\$ 1,428,382</u>	<u>\$ 2,163,241</u>	8.65
	Electrical & Electronic			
9,000	Foxboro	\$ 428,247	\$ 573,590	
12,400	General Electric	1,007,524	1,139,277	
6,000	Int. Telephone & Telegraph	528,888	579,679	
6,000	Litton Industries	547,266	677,104	
13,000	Westinghouse Electric	860,861	761,674	
		<u>\$ 3,372,786</u>	<u>\$ 3,731,324</u>	14.92
	Forest Products			
10,070	Georgia Pacific	<u>\$ 495,423</u>	<u>\$ 615,894</u>	2.46
	Insurance			
16,000	Travelers Corp.	<u>\$ 594,946</u>	<u>\$ 610,530</u>	2.44
	Miscellaneous			
25,000	A. C. Nielsen B	<u>\$ 923,818</u>	<u>\$ 987,781</u>	3.95
	Office Equipment			
4,000	I.B.M.	\$ 1,231,390	\$ 1,952,830	
16,227	Swingline	614,306	856,329	
2,000	Xerox	444,779	606,471	
		<u>\$ 2,290,475</u>	<u>\$ 3,415,630</u>	13.66
	Oil & Gas			
10,500	Texaco Inc.	<u>\$ 818,705</u>	<u>\$ 863,835</u>	3.45
	Steel & Heavy Industry			
16,000	Caterpillar Tractor	<u>\$ 751,060</u>	<u>\$ 762,080</u>	3.05

Foreign Common Stock Fund

No. of Shares	Investments — March 31, 1967	Cost	Market Value	% Market
	Textile & Apparel			
13,000	Burlington Industries	\$ 580,637	\$ 487,260	
18,000	Cluett Peabody	487,245	340,988	
15,000	Kayser Roth	592,364	454,650	
12,000	Jonathan Logan	554,472	568,313	
		<u>\$ 2,214,718</u>	<u>\$ 1,851,211</u>	7.40
	Utilities — Communications			
25,500	General Tel. & Electronics	\$ 1,233,481	\$ 1,418,142	5.67
	Utilities — Power & Water			
14,000	Middle South Utilities	\$ 393,270	\$ 394,030	
10,000	Texas Utilities	643,420	611,613	
		<u>\$ 1,036,690</u>	<u>\$ 1,005,643</u>	4.02
		<u>\$22,489,359</u>	<u>\$25,010,855</u>	100.00 %
	<i>Yields on fund — based on indicated dividends</i>	1.95 %	1.75 %	

No. of Shares	Purchases During the Year	No. of Shares	Purchases During the Year
	Aerospace		Insurance
2,500	Boeing	2,000	Insurance Co. of North America
		18,000	Travelers Corp.
	Amusement		Miscellaneous
10,000	Columbia Broadcasting System		A. C. Nielsen "B"
3,000	Walt Disney	25,000	
5,000	United Artists		Office Equipment
	Automobiles		I.B.M.
9,000	Ford Motor	1,325	Swingline
		5,400	Xerox
		5,000	
	Building & Construction		Oil & Gas
9,000	Armstrong Cork		Ashland Oil & Refining
12,000	Carrier	24,000	
	Chemicals		Steel & Heavy Industry
3,000	Celanese	16,000	Caterpillar Tractor
3,000	Monsanto		
	Containers		Textile & Apparel
20,000	Crown Cork & Seal	5,000	Burlington Industries
		3,000	Cluett-Peabody
		15,000	Kayser Roth
		12,000	Jonathan Logan
	Drugs, Soaps & Toiletries		Transportation
6,500	Tampax		Eastern Airlines
			Pan American World Airways
	Electrical & Electronic	13,000	
2,000	Foxboro	15,000	
2,000	General Electric		Utilities — Communications
6,000	Int. Telephone & Telegraph		General Tel. & Electronics
6,000	Litton Industries	8,100	
6,000	Motorola		Utilities — Power & Water
1,000	Westinghouse Electric		Middle South Utilities
		16,000	Public Service Co. of Indiana
	Forest Products	12,000	Texas Utilities
10,000	Georgia Pacific	10,000	

Foreign Common Stock Fund

No. of Shares	Sales During the Year	No. of Shares	Sales During the Year
	Aerospace		Insurance
4,000	Boeing	2,000	Insurance Co. of North America
7,000	Lockheed Aircraft	2,000	Travelers Corp.
	Amusement		Merchandising
5,000	United Artists	10,200	Howard Johnson
	Automobiles		Office Equipment
11,000	Chrysler	1,000	I.B.M.
7,000	Ford Motor	9,765	National Cash Register
8,500	General Motors	3,000	Swingline
		3,000	Xerox
	Building & Construction		Oil & Gas
9,000	Armstrong Cork		Ashland Oil & Refining
	Chemicals	24,000	Standard Oil of New Jersey
18,300	Union Carbide	14,500	
	Containers		Transportation
5,600	Owens-Illinois	13,000	Eastern Airlines
		15,000	Pan American World Airways
	Drugs, Soaps & Toiletries		Textile & Apparel
2,200	Bristol-Myers	5,000	Burlington Industries
2,000	Revlon		Utilities — Communications
1,500	Tampax		American Tel. & Tel.
	Electrical & Electronic	6,000	
3,000	Foxboro		Utilities — Power & Water
3,800	Honeywell	2,000	Middle South Utilities
6,000	Motorola	12,000	Public Service Co. of Indiana

No. of Shares	Miscellaneous Transactions During the Year	No. of Shares	Miscellaneous Transactions During the Year
4,000	Boeing 2 for 1 split	5,100	Howard Johnson 2 for 1 split
280	Monsanto 2% stock dividend	1,225	I.B.M. 3 for 2 split
		327	Swingline 3% stock dividend
5,600	Bristol Myers 2 for 1 split		
		10,000	Cluett Peabody 3 for 1 split
70	Georgia Pacific 1% stock dividend		

Mortgage Funds

Statement of Financial Position

as at March 31, 1967

	N. H. A. Mortgage Fund		Conventional Mortgage Fund	
	1967	1966	1967	1966
Investments at market value	\$26,778,981	\$31,148,246	\$132,447,274	\$101,888,771
Other assets less liabilities (Note 1)	745,509	283,784	1,025,272	(24,368)
Total fund at market value	<u>\$27,524,490</u>	<u>\$31,432,030</u>	<u>\$133,472,546</u>	<u>\$101,864,403</u>
Units outstanding	280,569	310,601	1,425,982	1,062,517
Unit prices	\$ 98.1024	\$ 101.1975	\$ 93.6004	\$ 95.8710

Statement of Earnings

for the year ended March 31, 1967

Investment income	\$ 1,991,022	\$ 2,039,884	\$ 8,509,385	\$ 5,704,808
Less: Expenses	128,508	137,032	473,146	333,404
	<u>\$ 1,862,514</u>	<u>\$ 1,902,852</u>	<u>\$ 8,036,239</u>	<u>\$ 5,371,404</u>
Distributions made to participants	\$ 1,716,775	\$ 1,747,493	\$ 7,253,626	\$ 4,747,434
Due to participants — March earnings	145,739	155,359	782,613	623,970
	<u>\$ 1,862,514</u>	<u>\$ 1,902,852</u>	<u>\$ 8,036,239</u>	<u>\$ 5,371,404</u>

Statement of Unit Valuations and Earnings (Note 2)

	N. H. A. Mortgages		Conventional Mortgages	
	Valuation	Earnings	Valuation	Earnings
April 1966	\$101.1958	\$.5016919	\$ 95.8202	\$.5022881
May	101.1100	.5081329	95.7115	.5405572
June	101.1785	.5125092	95.7559	.5400517
July	101.1819	.5098615	95.6204	.5682277
August	101.1230	.5036571	94.3183	.5178589
September	101.1260	.5154708	94.1862	.5086564
October	101.1967	.7053020	94.1953	.5593826
November	98.0519	.4915459	93.9604	.5202633
December	98.0712	.5090277	93.8174	.5588595
January 1967	98.0933	.5125751	93.7271	.5482278
February	98.1075	.4884008	93.5744	.4821065
March	98.1024	.5194424	93.6004	.5488240

Note 1. Other assets less liabilities consist of the net aggregate cash, amount due from or to investment dealers, accrued income, income distribution due to participants and accrued administrative expenses.

Note 2. Unit valuations are established as at the close of business on the last day of the month and are used for the purchase or redemption of units as at the first business day of the following month.

Unit earnings represent each unit's proportionate share of net earnings of the fund during the month indicated and are distributed to participants as at the first business day of the following month.

N.H.A. Mortgage Fund

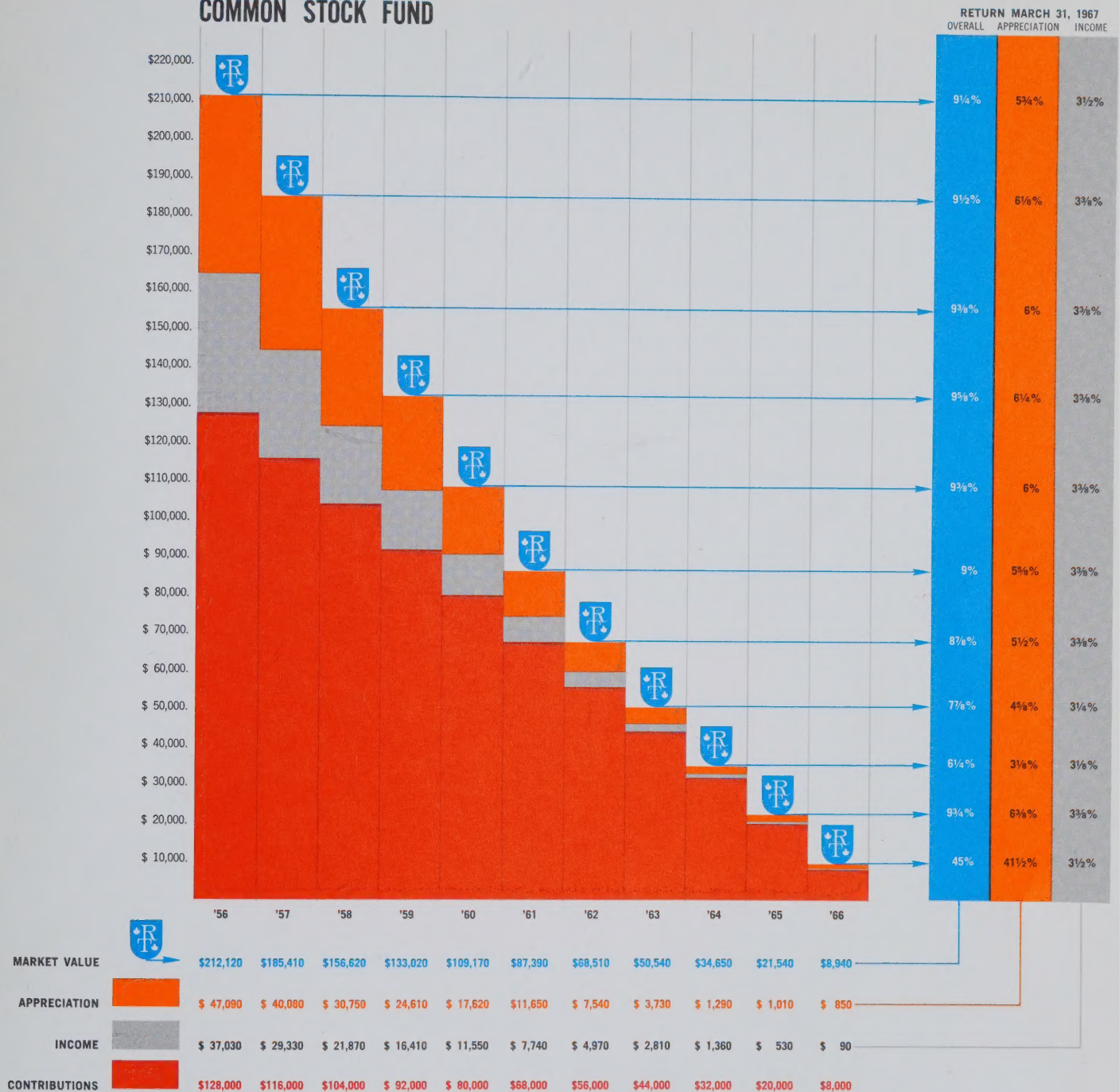
Principal	Investments — March 31, 1967	Interest Rate	Market Value
\$ 12,098,081	1,008 Loans	6.75 %	\$ 11,725,941
8,045,971	640 Loans	6.50	7,665,622
7,052,752	545 Loans	6.25	6,585,565
862,189	85 Loans	6.00	801,853
<u>\$ 28,058,993</u>			<u>\$ 26,778,981</u>
	<i>Gross Yield on Fund</i>		7.25 %

Conventional Mortgage Fund

Principal	Investments — March 31, 1967	Interest Rate	Market Value
	7 % Prime Rate		
\$ 11,224,677	118 Loans	6.75 %	\$ 10,669,308
2,291,621	1 Loan	6.845	2,184,181
113,109	1 Loan	6.875	107,779
74,743,070	4,269 Loans	7.00	71,215,909
136,981	1 Loan	7.10	133,745
12,433	1 Loan	7.125	11,940
6,573,326	217 Loans	7.25	6,292,244
745,086	1 Loan	7.30	715,565
810,091	69 Loans	7.375	771,306
5,754,861	208 Loans	7.50	5,545,919
402,735	11 Loans	7.75	391,756
19,102	1 Loan	8.25	18,659
	7.25 % Prime Rate		
125,996	3 Loans	5.00 %	115,967
117,306	5 Loans	5.50	109,640
215,586	17 Loans	6.00	205,090
61,915	5 Loans	6.50	60,083
98,776	8 Loans	6.75	93,886
286,458	1 Loan	6.845	269,820
2,626,980	107 Loans	7.00	2,510,852
1,146,136	32 Loans	7.25	1,116,651
4,893,376	234 Loans	7.50	4,758,068
290,984	20 Loans	7.75	283,504
19,229	2 Loans	8.00	18,830
	7.50 % Prime Rate		
7,512,047	384 Loans	7.50 %	7,400,929
4,518,948	310 Loans	7.75	4,451,712
1,020,481	56 Loans	8.00	1,005,802
	7.75 % Prime Rate		
21,000	1 Loan	7.50 %	21,000
5,072,238	322 Loans	7.75	5,072,238
4,405,016	253 Loans	8.00	4,405,016
2,331,582	75 Loans	8.25	2,331,582
158,293	13 Loans	8.50	158,293
<u>\$137,749,439</u>			<u>\$132,447,274</u>
	<i>Gross Yield on Fund</i>		7.81 %

ROYAL TRUST CLASSIFIED INVESTMENT FUNDS FOR PENSION TRUSTS

COMMON STOCK FUND



GUIDE TO CHART

The Chart illustrates the investment return of a participant in the Common Stock Funds from inception in August 1956 to March 31, 1967, on the basis of investing monthly contributions of \$1,000 and reinvesting the income therefrom. Since the split of the original Common Stock Fund in April, 1966, the \$1,000 was invested \$700 in the Canadian Fund and \$300 in the Foreign Fund, which reflects the proportions of Canadian and Foreign investments at the time of the split and also a typical buying ratio since the split. The Chart has been designed to show return with respect to contributions made to the funds beginning in August of any year to March 31, 1967. The relative effect of capital appreciation and investment income on overall return is revealed.

For example, to measure the performance of contributions made from August 1, 1959 to March 31, 1967, refer to the column which graphically illustrates the figures below the chart giving the following information:—

Contributions from August 1, 1959 to March 31, 1967

92 Months x \$1000

92,000

Income

16,410

Appreciation

24,610

Market Value

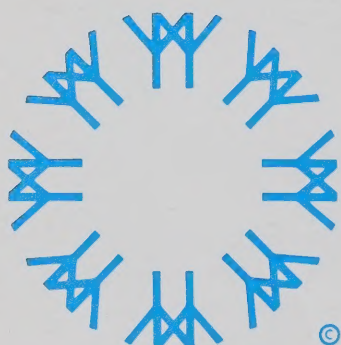
133,020

To determine rates of return, follow the blue line at the top of the 1959 bar.

The overall return is 9 3/8% made up of 6 1/4% appreciation and 3 3/8% income. The experience of individual participants would, of course, vary according to the timing and amount of admissions and withdrawals.



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